




Department of Energy

Washington, DC 20585

AUG 9 2002

MEMORANDUM FOR DISTRIBUTION

FROM: BRUCE M. CARNES 
DIRECTOR, OFFICE OF MANAGEMENT, BUDGET
AND EVALUATION/CHIEF FINANCIAL OFFICER

SUBJECT: Reporting on the Elimination of Excess Facilities

This memorandum provides information on how the Department intends to annually report on its disposal of excess facilities to Congress. In the Conference Committee Report 107-258, MAKING APPROPRIATIONS FOR ENERGY AND WATER DEVELOPMENT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2002, AND FOR OTHER PURPOSES, the Conferees established the following requirements for reporting on the elimination of excess facilities:

- 1) For new construction projects requested in fiscal year 2003, the conferees expect the budget to show the square footage of each new project, and request funding for elimination by transfer, sale, or demolition of excess buildings and facilities of equivalent size. This new requirement does not apply to environmental management closure sites.
- 2) The conferees expect the fiscal year 2003 budget to contain funds to eliminate excess facilities based on the greatest impact on long-term costs and risks.
- 3) The Department should apply this requirement to each site.
- 4) A case-by-case waiver of the site requirement is possible, only if deemed impracticable due to critical mission requirements. The waiver is to be approved by the Secretary through the Chief Financial Officer. It will enable the requirement to be met through the reduction of excess facilities at another site.
- 5) The Department will collect information from all sites on the square footage of excess property sold, transferred, or demolished each year and submit a report 45 days after the President's budget is presented to Congress.

These requirements cover any construction projects that result in a building or similar structure. The Conferees exempted the following defense facilities closure projects from reporting: Mound, Fernald, Rocky Flats, Ashtabula, and Columbus.



Printed with soy ink on recycled paper

Reporting on these requirements can be met with data from two existing Corporate data systems, the Project Analysis and Reporting System (PARS) and the Facilities Information Management System (FIMS).

FIMS already tracks and reports excess facilities by site and method of elimination. Any new facility can also be identified. The PARS system will be used to identify the area of new facilities to be constructed. Since PARS does not identify construction projects below the line item level, the Integrated Facilities and Infrastructure Budget Data Call will be used to identify the GPP and expense funded projects that will result in a new facility or elimination of an excess one.

We are interpreting that the Conference Committee requires that the funding to eliminate excess space be included somewhere in the budget, rather than specifically in the project data sheet, as originally proposed by the House Energy and Water Development Appropriation Subcommittee. The "color of money" is less important than the fact that the excess has been identified for elimination.

Lead Program Secretarial Officers (LPSO) and site managers are advised that this Conference Report focused on how many square feet of building space are added and how much excess is eliminated at each site (as listed in Attachment 1). Therefore, it is assumed that at each site, the LPSO, as landlord, and their site manager will, for Fiscal Year 2004 budgets and beyond, coordinate efforts, priorities, and resources with the other programs to address the site-level balancing of new facilities and the elimination of excess ones. It is also important to understand that eliminating excess facilities can be accomplished through more than just demolition. Excess facilities that are transferred to other Federal agencies, out-leased, or sold to other parties also count as elimination of excess.

The Conference Report has provided for a Secretarial waiver to balance excess facility elimination and construction at a single site; therefore, when a waiver for offsetting disposal through elimination of excess at another site is sought, the action memorandum requesting the Secretary's waiver needs to outline why this excess elimination requirement cannot be met at a specific site, and identify proposed mitigation (e.g. elimination of excess at another site). Since construction (by any program) at a site is intended to be offset by demolition, transfer, or sale by any program at the site, coordination of the waiver proposal with the other programs and affected sites will be needed. It is requested that you discuss any waiver proposal with the Office of Engineering and Construction Management (OECM) before it is submitted.

OECM will prepare the report based upon your program's contemporary data in PARS, and FIMS, and the integrated facilities and infrastructure budget documents. Successful use of the existing data systems to meet this reporting requirement is contingent on your sites inputting current and accurate data (for the annual sampling). Questions and answers related to report preparation methodology, Secretarial waivers, and general responsibilities are provided in Attachment 2.

If you have any questions regarding this memorandum, please contact Mr. Andrew Duran at 202-586-4548, or Mr. Jim Cayce at 202-586-0072.

DISTRIBUTION LIST

SUBJECT: REPORTING ON THE ELIMINATION OF EXCESS
 FACILITIES

Distribution:

Under Secretary for Energy, Science and Environment
Administrator, National Nuclear Security Administration
Assistant Secretary for Energy Efficiency and Renewable Energy
Assistant Secretary for Environment Management
Assistant Secretary for Fossil Energy
Director, Office of Energy Research
Director, Office of Nuclear Energy, Science and Technology
Director, Office of Civilian Radioactive Waste Management
Director, Office of Science

cc:

NA-52

NA-60

Attachment I
**Listing of Sites Requiring the Balancing of
New Construction and Elimination of Excess**

Ames Laboratory
Argonne National Laboratory East (includes New Brunswick Laboratory)
Bettis Atomic Power Laboratory-Pa
Brookhaven National Laboratory
Cal Tech - Pasadena
Energy Technology Engineering Center
Fermi National Accelerator Facility
General Atomics
Hanford Reservation (includes PNNL and ORP)
INEEL (includes ANL-W and Bettis Atomic Pwr. Lab-Id)
Kansas City Plant
Knolls Atomic-Kesselring
Knolls Atomic-Niskayuna
Knolls Atomic-Windsor
Lawrence Berkley National Laboratory
Lawrence Livermore National Laboratory (including Site 300)
Los Alamos National Laboratory (includes Nonproliferation and National Security Institute)
Mass. Institute Of Tech. Accelerator Center
National Renewable Energy Laboratory
National Wind Technology Center
NTS (includes LLNL, LANL, and SNL facilities, and North Las Vegas Site)
Notre Dame Radiation Lab
Oak Ridge Reservation (includes ORNL, ETTP, BNFL, Wackenhut, and ORISE)
Paducah Gaseous Diffusion Plant
Pantex Plant
Portsmouth Gaseous Diffusion Plant
Princeton Plasma Physics Laboratory
Sandia National Laboratories (includes NM, CA, KTF, and TTR))
Santa Barbara
Savannah River Site (includes SREL)
Savannah River Tritium Facility
Stanford National Accelerator Center
Thomas Jefferson National Accelerator Facility
U.C. Davis
Waste Isolation Pilot Plant
Weldon Spring Remedial Action Site
West Valley
Y-12 Plant

Attachment 2
Q&A Related to Report Preparation Methodology,
Waivers, and Responsibilities

How will excess be determined?

Each November, FIMS annually identifies excess property as part of two existing reporting processes. This information will be used to determine the total area of facilities at a site that is available for elimination. For this report, excess is intended to include all facilities identified in FIMS as excess (excess indicator is Yes and excess year is current fiscal year plus 6) during the term covered by the current Planning Programming and Budget Evaluation System.

How will excess eliminated be identified?

Each December, FIMS data will be used to compile a facilities list at each site which identifies what was eliminated and how it was eliminated (by sale, transfer or demolition).

How will new construction projects be identified?

PARS will be used to identify all line item construction projects. The Integrated Facility and Infrastructure crosscut budget will identify the area of all lesser construction (GPP, OPEX, etc.) projects. A PARS data field will be used to identify the area of the buildings or similar facilities to be constructed at a site. Any project requesting Budget Authority to begin construction in FY 2003 and after will need to have this PARS data field populated. A PARS report will be generated to identify the area of proposed construction at each site and an estimated completion date (year). Once a new construction project is identified in the report to Congress, any subsequent excess eliminated at the site can be identified as “banked” (see Identifying Banked Elimination below) in the report to offset the new construction. When a project includes the elimination of any excess facilities within its scope, this area will need to be identified so it can also be “banked” or linked by a footnote with the project in the report.

How will new facilities be identified?

New facilities are counted when they are completed and occupied. When a new facility is completed, a property record is added to FIMS. Each November, FIMS identifies new property to GSA. An initial FIMS sample will be taken at this time and verified with the site. A final FIMS sample will be taken each January for the Congressional Budget report.

Who is responsible for planning eliminations?

Lead Program Secretarial Offices, Field Offices, and site managers are responsible for utilizing FIMS and PARS data and their knowledge regarding the elimination schedule for excess facilities at a site, to determine if there is a need for additional demolition,

transfer or sale actions to meet planned construction of new buildings and similar facilities. GPP and other elimination projects need to be identified annually in the Integrated Facility and Infrastructure Budget. Programmed and/or budgeted elimination projects, when identified, will be highlighted and reported until they are executed.

How can a site identify and “Bank” excess as it is eliminated to offset construction?

When sites identify a need to bank eliminated excess for a facility construction project that is to begin or is under construction, the field will formally inform the Office of Engineering and Construction Management (OECM) with details of the project in memoranda.

What needs to be included in a S-1 waiver?

Congress has included a mechanism that will enable a site that currently has no excess or has critical mission requirements that make meeting this requirement impractical, to utilize the reduction of excess facilities at another site through a case-by-case waiver approved by the Secretary through the Director, Office of Management, Budget and Evaluation/Chief Financial Officer. The waiver proposal will fully discuss the impracticality of eliminating excess (e.g. excess area is substantially less than the area of new construction) by sale, transfer or demolition at the site with the new facility. This site will take the lead in identifying the excess facility(s) at another site(s) that, by date certain, will be disposed of by the completion/occupancy date (year) of the new facility. Concurrence with the waiver request by DOE site managers at all involved sites is needed. Finally, a list, by FIMS property identifiers (Property ID), of excess facilities involved in the waiver is to be included.

How should eliminations be budgeted?

While encouraged, there is no requirement that funds for elimination be included with each project as other project cost. Site clearing demolitions can be “banked” for the project when identified. Separate elimination (demolition, transfer or sale) projects can be developed. For example, Congress has stipulated that at least 25 percent of money provided to the Office of Science and National Nuclear Security Administration’s FY 2002 Facility and Infrastructure programs be used for disposal of excess facilities.

What will the excess elimination report look like?

The proposed initial report to Congress will consist of three tables. One table will show, by site, the results of the FIMS data sample and show the amount (square footage) of new facilities completed, and elimination status of excess facilities at each site. Another FIMS generated table will identify the total amount of facilities currently excess at a site and the changes to that number. It will also identify the area being banked for specific new facility construction projects.

The last table will be generated from PARS and the Integrated Facilities and Infrastructure budget data. It will identify the amount (square footage) of planned construction, by site. Any waivers approved by the Secretary will also be included in the report. Additional information will be included in the table when follow-on excess elimination is expressly linked (banked) to a new facility construction project.

Can leased buildings or excess trailers be used to offset new construction?

Since new leased buildings (or trailers) are not counted as new facilities that require offset, and they are simply returned to their owner after DOE no longer needs them, their elimination cannot be counted as reduction of excess. On the other hand, excess real property trailers that are listed in FIMS can be counted against the new construction when they are eliminated.

Does reuse of a previously excess facility for a new or expanded mission need count?

The reuse of an excess facility could count for excess elimination purposes if: (1) the facility was previously declared excess in FIMS, and (2) it was then decontaminated and or renovated for this new/expanded mission need.

What are good examples for meeting this requirement?

Example 1:

The Office of Science's FY 2003 budget included line item funding for a new 300,000 square foot laboratory. It is to be completed in FY 2005. The project will demolish 5,000 sq.ft. of existing excess space in late FY 2003 to clear the site. The site has 458,245 sq.ft. of excess building and similar facilities (sheds). The site needs to balance the construction with 300,000 sq.ft. of demolitions, transfers, and sales. In the FY 2003 budget there is no money for any elimination at the site, therefore money needs to be requested in the FY 2004 and or FY 2005 budgets. Because of its size, a request for banking all disposals was made to OECM.

To meet the requirement the site: 1) Programs a GPP demolition project that removes 100,000 sq.ft. of mixed types of excess buildings in FY 2004, 2) Enters into an agreement with the Forest Service to permit 75,000 sq.ft. of excess storage space for fire fighting equipment in FY 2003, 3) Sells 5,000 sq.ft. of excess butler buildings to the local Community Reuse Organization for offsite removal in FY 2004, 4) Out-leases 10,000 sq.ft. of excess admin space to the local county police for reimbursed maintenance costs in FY 2005 and 5) EM program demolishes 50,000 sq.ft. in FY 2003, 25,000 in FY 2004 and 25,000 in FY 2005. While this is nearly in balance, $(5,000 + 100,000 + 75,000 + 5,000 + 10,000 + 50,000 + 25,000 + 25,000 = 295,000)$ the site requested in FY 2005 a Secretarial waiver for using the demolition of 5,000 sq.ft. of excess contaminated storage space at another site in FY 2005 to balance the site's new construction.

The lab construction project would be identified as starting in the excess elimination report for the FY 2003 Congressional Budget Request. The FY 2004 GPP demolition project for the site would be identified in the report for the FY 2004 Congressional Budget Request. FIMS would identify and report the 5,000 sq.ft. site clearing and 50,000 sq.ft. EM demolition that occurred in FY 2003 as a banked 55,000 sq.ft. of excess eliminated for this lab project when reported with the FY 2005 Congressional Budget Request. The FY 2004 GPP's 100,000 sq.ft. of demolition, 5,000 sq.ft. sale, and 25,000 sq.ft. EM demolition would be reported with the FY 2006 Congressional Budget Request as an additional 130,000 sq.ft. of banked eliminated excess in support of the lab project. The outlease, EM demolition, and the waiver demolition at the other site that would occur during FY 2005 would be accounted for in the report that is transmitted with the FY 2007 Congressional Budget Request. This report would show that the site met the requirement by eliminating an excess area equivalent to the new lab's area.

Example 2:

An NNSA site has only 1,000 sq.ft. of excess warehouse space. It has in the FY 2004 budget two GPP projects that will construct a 10,000 sq.ft. security office and a 10,000 sq.ft. warehouse. Both will be finished in FY 2004. Neither project included any demolition in its scope. Since there is not enough excess area nor time to budget, a Secretarial waiver for using 20,000 sq.ft. of demolition at another site that had no new

construction has to be prepared. The site determines that another NNSA (or EM etc.) site with no new construction planned for several years is going to demolish in FY 2004, 22,000 sq.ft. of forty-year old storage sheds, because they were structurally unsafe. A waiver would be prepared by the site with the GPP projects and coordinated with the site manager of the demolishing site and then sent through the Office of Management, Budget and Evaluation to the Secretary for approval and submission in the excess elimination report for the FY 2005 Congressional Budget Request. This report would show that through a waiver, the site with the GPP projects met the requirement for eliminating 20,000 sq.ft. of excess area. The site that demolished 22,000 sq.ft. would report 2,000 sq.ft. of eliminated excess.